

**KANSAS CITY KANSAS COMMUNITY COLLEGE**  
**COMPLIANCE REPORT**  
**JUNE 30, 2018**



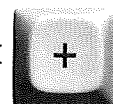
# KANSAS CITY KANSAS COMMUNITY COLLEGE

## COMPLIANCE REPORT

### Page

### Reports and Schedules

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	3-5
Schedule of Expenditures of Federal Awards.....	6
Notes to the Schedule of Expenditures of Federal Awards.....	7
Schedule of Findings and Questioned Costs.....	8-9



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Kansas City, Kansas Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units, of the Kansas City Kansas Community College, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 13, 2018. The financial statements of the Kansas City Kansas Community College Foundation (discretely presented component unit) were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Kansas City Kansas Community College Foundation.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis basic financial statement, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

*Norah Basha p.c.*

November 13, 2018  
Shawnee, KS



**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance and Report on  
Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

To the Board of Trustees  
Kansas City Kansas Community College

**Report on Compliance for Each Major Federal Program**

We have audited the Kansas City Kansas Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2018. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provided a legal determination of the College's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business type activities and discretely presented component unit of the College as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 13, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose

November 13, 2018  
Shawnee, KS



KANSAS CITY KANSAS COMMUNITY COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Grant Number	Federal CFDA Number	Federal Expenditures
Department of Education			
Direct Programs - Student Financial Aid Cluster			
Federal Work-Study	P033A117523	84.033	\$ 110,170
Federal Supplemental Education Opportunity Grant	P007A117523	84.007	175,133
Federal Pell Grant	P063P117471	84.063	8,159,290
Federal Direct Loans	P268K17471	84.268	4,410,625
Trio Grant	P042A51429	84.042	210,856
Total Student Financial Aid Cluster			<u>13,066,074</u>
Passed Through Kansas Board of Regents			
Vocational Education - Program Improvement	9921 Program Improvement		
Regular		84.048	389,710
Leadership		84.048	146,243
Reserve		84.048	14,134
			<u>550,087</u>
AEFLA Grant		84.002	312,010
Total Pass Through Kansas Board of Regents			<u>862,097</u>
Passed Through Kansas Department of Education			
Title IV 21st Comm Learning CTRS		84.287	175,000
Total Pass Through Kansas Dept. of Education			<u>175,000</u>
Total Kansas Department of Education			<u>14,103,171</u>
Department of Agriculture			
Passed Through Kansas Department of Education			
SFS - Food		10.559	34,568
Total Department of Agriculture			<u>34,568</u>
National Science Foundation			
KCKBTL Grant		47.076	77,123
Total National Science Foundation			<u>77,123</u>
Total Expenditures of Federal Awards			<u>\$ 14,214,862</u>

KANSAS CITY KANSAS COMMUNITY COLLEGE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

- A. Basis of Presentation - The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial of the College.
- B. Cost Rate – The College has been awarded an indirect cost rate for the year ended June 30, 2016. However for the year ended June 30, 2016, costs requested for reimbursement have been limited to direct reimbursement of costs.
- C. Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which such numbers were available.
- D. Major Programs – In accordance with Uniform Guidance, major programs for the College are individual programs or a cluster of programs determined using a risk based analysis. The threshold for distinguishing Type A and Type B programs was \$750,000. Student Financial Aid is designated as a cluster of programs which was determined to be a major program.
- E. Federal Student Loan Programs – Federally guaranteed loans issued to students of the College by financial institutions under the Federal Direct Loan (FDL) programs were \$4,410,625 during the year ended June 30, 2018. The amount presented represents the value of new loans awarded during the year.
- F. Federal direct programs are presented by the applicable federal agency. Federal pass-through programs are presented by the entity through which the College received the federal grant.
- G. Additional Audits – Grantor and regulatory agencies reserve the right to conduct additional audits of the College's grant programs. Such audits may result in disallowed costs to the College. However, management does not believe such audits would result in any disallowed costs that would be material to the College's financial position at June 30, 2018.

KANSAS CITY KANSAS COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONS COSTS  
FOR THE YEAR ENDED JUNE 30, 2018

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- a. Material weakness identified? No
- b. Significant deficiencies identified? None Reported
- c. Noncompliance material to financial statements noted? No

Federal Awards Section

Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Significant deficiency identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal program or Cluster</u>
84.007, 84.033, 84.063, 84.268, 84.042	DOE - Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

KANSAS CITY KANSAS COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONS COSTS  
FOR THE YEAR ENDED JUNE 30, 2018

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No matters were reported.

